

AMENDED IN SENATE APRIL 21, 2003

SENATE BILL

No. 817

Introduced by Senator Ducheny

February 21, 2003

An act to amend Sections 10200 and 10201 of the Unemployment Insurance Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 817, as amended, Ducheny. Employment: Employment Training Panel.

Existing law establishes an employment training program, to promote a healthy labor market in a growing competitive economy, that *provides job-placement assistance and funds training projects that meet certain criteria. Existing law specifies that one of these criteria is that the project fosters job creation and retention of high-wage and high-skilled jobs in manufacturing industries and other industries that are threatened by out-of-state competition. Existing law defines an "eligible employer" for purposes of eligibility in this program, but excludes public entities and nonprofit organizations that meet specified criteria from the job-training aspects of the program, as provided.* The Employment Training Panel, within the Employment Development Department, is responsible for administering the program.

~~This bill would set forth legislative findings and declarations, and would state the intent of the Legislature to require the Employment Training Panel to address the shortage of nurses in California, in light of the changing operational aspects of health care eliminate the program purpose of serving only those industries subject to out-of-state competition, and specify that program participants may include participants from specified industries, regardless of whether or not the~~

industries are organized for making a profit. This bill would also remove limitations on the general eligibility of certain public entities and nonprofit organizations for participation in both job-training assistance and job-placement assistance under the program, as provided.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. The Legislature finds and declares the~~
2 *SECTION 1. Section 10200 of the Unemployment Insurance*
3 *Code is amended to read:*
4 10200. The Legislature finds and declares the following:
5 (a) California's economy is being challenged by competition
6 from other states and overseas. In order to meet this challenge,
7 California's employers, workers, labor organizations, and
8 government need to invest in a skilled and productive workforce,
9 and in developing the skills of frontline workers. For purposes of
10 this section, "frontline worker" means a worker who directly
11 produces or delivers goods or services.
12 The purpose of this chapter is to establish a strategically
13 designed employment training program to promote a healthy labor
14 market in a growing, competitive economy that shall fund only
15 projects that meet the following criteria:
16 (1) Foster job creation of high-wage, high-skilled jobs, or
17 foster retention of high-wage, high-skilled jobs in manufacturing,
18 *health care, and other industries that are threatened by out-of-state*
19 ~~competition, regardless of whether or not the industries are~~
20 *organized to make a profit.* Provide for retraining contracts in
21 companies that make a monetary or in-kind contribution to the
22 funded training enhancements.
23 (2) Encourage industry-based investment in human resources
24 development that promotes the competitiveness of California
25 industry through productivity and product quality enhancements.
26 (3) Result in secure jobs for those who successfully complete
27 training. All training shall be customized to the specific
28 requirements of one or more employers or a discrete industry and
29 shall include general skills that trainees can use in the future.



(4) Supplement, rather than displace, funds available through existing programs conducted by employers and government-funded training programs, such as the Workforce Investment Act of 1998, the Carl D. Perkins Vocational Education Act, CalWORKS, the Enterprise Zone Act, and the Stewart B. McKinney Homeless Assistance Act, or apportionment funds allocated to the community colleges, regional occupational centers and programs, or other local educational agencies. In addition, it is further the intention of the Legislature that programs developed pursuant to this chapter shall not replace, parallel, supplant, compete with, or duplicate in any way already existing approved apprenticeship programs.

(b) The employment training panel, in funding projects that meet the requirements of subdivision (a), shall give funding priority to those projects that best meet the following goals:

(1) Result in the growth of the California economy by stimulating exports from the state, and the production of goods and services that would otherwise be imported from outside the state.

(2) Train new employees of firms locating or expanding in the state that provide high-skilled, high-wage jobs and are committed to an ongoing investment in the training of frontline workers.

(3) Develop workers with skills that prepare them for the challenges of a high performance workplace of the future.

(4) Train workers who have been displaced, have received notification of impending layoff, or are subject to displacement, because of a plant closure, workforce reduction, changes in technology, or significantly increasing levels of international and out-of-state competition.

(5) Are jointly developed by business management and worker representatives.

(6) Develop career ladders for workers.

(7) Promote the retention and expansion of the state's manufacturing workforce.

(c) The program established through this chapter is to be coordinated with all existing employment training programs and economic development programs, including, but not limited to, programs such as the Workforce Investment Act of 1998, the California Community Colleges, the regional occupational programs, vocational education programs, joint labor-management training programs, and related programs under

1 the Employment Development Department and the Trade and
2 Commerce Agency.

3 *SEC. 2. Section 10201 of the Unemployment Insurance Code*
4 *is amended to read:*

5 10201. As used in this chapter:

6 (a) “Department” means the Employment Development
7 Department.

8 (b) “Employer” or “eligible employer” means any employer
9 of the following:

10 (1) *An employer that is* subject to Part 1 (commencing with
11 Section 100) of Division 1, ~~except any.~~

12 (2) A public entity; or ~~any a~~ nonprofit organization ~~which that~~
13 has elected an alternate method of financing its liability for
14 unemployment insurance compensation benefits pursuant to
15 Article 5 (commencing with Section 801), or Article 6
16 (commencing with Section 821) of Chapter 3.

17 ~~Any public entity or nonprofit organization that has elected an~~
18 ~~alternate method of financing its liability for unemployment~~
19 ~~insurance compensation benefits pursuant to Article 5~~
20 ~~(commencing with Section 801), or Article 6 (commencing with~~
21 ~~Section 821) of Chapter 3, shall be deemed to be an employer only~~
22 ~~for purposes of placement of new hire trainees who received~~
23 ~~training as an incidental part of a training project designed to meet~~
24 ~~the needs of one or more private sector employers.~~

25 (c) “Eligible participant” means any person who, prior to
26 beginning training or employment pursuant to this chapter, is any
27 of the following:

28 (1) Unemployed and has established an unemployment
29 insurance claim in this state, or has exhausted eligibility for
30 unemployment insurance benefits from this state within the
31 previous 24 months.

32 (2) Employed for a minimum of 90 days by his or her employer,
33 or if employed for less than 90 days, met the conditions of
34 paragraph (1) at the time of hire, had received a notice of layoff
35 from the prior employer, or was employed by an employer for a
36 period of not less than 90 days during the 180-day period prior to
37 the employee’s current employment.

38 (d) “Executive director” means the executive director
39 appointed pursuant to Section 10202.

(e) “Fund” means the Employment Training Fund created by Section 1610.

(f) “Job” means employment on a basis customarily considered full time for the occupation and industry. The employment shall have definite career potential and a substantial likelihood of providing long-term job security. Furthermore, the employment shall provide earnings, upon completion of the employment requirement specified in subdivision (f) of Section 10209, equal to 50 percent, in the case of new hire training, or 60 percent, in the case of retraining, of the state or regional average hourly wage. However, in no case shall the employment result in earnings of less than 45 percent of the state average hourly wage for new hire training and 55 percent of the state average hourly wage for retraining. The panel may consider the dollar value of health benefits that are voluntarily paid for by an employer when computing earnings to meet the minimum wage requirements.

(g) “New hire training” means employment training, including job-related literacy training, for persons who, at the start of training, are unemployed.

(h) “Panel” means the Employment Training Panel created by Section 10202.

(i) “Retraining” means employment related skill and literacy training for persons who are employed and who meet the definition of paragraph (2) of subdivision (c) prior to commencement of training and will continue to be employed by the same employer for at least 90 days following completion of training.

(j) “State average hourly wage” means the average weekly wage paid by employers to employees covered by unemployment insurance, as reported to the Employment Development Department for the four calendar quarters ending June 30 of the preceding calendar year, divided by 40 hours.

(k) “Trainee” means an eligible participant.

(l) “Training agency” means any private training entity or local educational agency.

~~following:~~
(a) ~~The Employment Training Panel was created to help provide financial assistance to California businesses to promote, develop, and provide training programs for the purpose of providing workers with skills that would allow them to increase their earning potential and make California more competitive in~~

1 ~~the global economy, and to promote the importance of having a~~
2 ~~highly trained workforce.~~

3 ~~(b) While the California economy is slowing, technology~~
4 ~~continues to change the operational aspects of many industries.~~
5 ~~The Employment Training Panel's programs are a valuable~~
6 ~~resource for businesses that wish to provide high-level training to~~
7 ~~their employees so that they may keep up with these changes and~~
8 ~~help keep California competitive.~~

9 ~~(c) At the same time that the medical field is continually~~
10 ~~evolving, in part due to technological advances, California faces~~
11 ~~a shortage of nurses.~~

12 ~~(d) Many businesses do not apply for funding from the~~
13 ~~Employment Training Panel because of the lengthy and~~
14 ~~cumbersome application process.~~

15 ~~SEC. 2. It is the intent of the Legislature to require the~~
16 ~~Employment Training Panel to address the shortage of nurses in~~
17 ~~California, in light of the changing operational aspects of health~~
18 ~~care.~~

